



Morning Alert - Tuesday, July 17, 2018

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HEADLINES

Morning news

All TV networks gave top play to reports on the extreme heat across the nation over the three-day weekend, including areas hit by the record rainfall in western Japan last week.

Main front-page items in national dailies included the U.S.-Russia summit in Helsinki, the heat wave engulfing the Japanese archipelago, and an allegation that LDP Lower House Rules and Administration Committee Chairman Furuya underreported income from fund-raising parties.

INTERNATIONAL

U.S., Russian leaders stress their commitment to improving relations

NHK reported this morning on a summit between President Trump and Russian President Putin held in Helsinki, Finland, on Monday evening Japan time, saying that the two leaders stressed at a joint press conference their commitment to improving bilateral relations. The network said the two leaders also exchanged views on Syria, North Korea, and nuclear disarmament, as well as Russia's alleged interference in the U.S. presidential election. The network said President Putin denied any interference in the U.S. election, and President Trump accepted the Russian leader's claim, commenting that by doing so the two leaders

played up their close ties. The broadcaster added, however, that the two leaders failed to reach concrete agreement on important issues such as Syria and nuclear disarmament.

Secretary Pompeo accuses North Korea of operating uranium facility

Monday's Yomiuri gave led with the disclosure by several sources involved in relations among U.S., Japan, and South Korea that when visiting Pyongyang in early July, Secretary of State Pompeo accused North Korea of covertly operating a uranium enrichment facility, noting that the USG probably suspects that the Kim regime is not complying with Chairman Kim's commitment to complete denuclearization. In his meeting with Vice Chairman Kim Jong Chol, the Secretary reportedly insisted that North Korea is increasing production of enriched uranium, concealing nuclear facilities and nuclear weapons, and expanding a missile plant. "These are not good for U.S.-DPRK relations," he reportedly told Vice Chairman Kim. The senior DPRK official allegedly dismissed the Secretary's accusation by saying "none of it is true." The daily speculated that even if North Korea presents an account of its weapons of mass destruction programs in the future, the U.S. may not accept it at face value.

In related stories, most Tuesday papers highlighted an article in the online journal "Diplomat" claiming that North Korea has been operating a uranium enrichment facility, known by the U.S. intelligence community as the Kangson enrichment site, and that a U.S. government source confirmed its existence.

U.S., DPRK to resume search for MIAs

All Monday national dailies reported that the U.S. and North Korea agreed to recommence a search for the remains of American service members killed in the Korean War during a Sunday meeting at the DMZ. Secretary of State Pompeo reportedly commented on the results by saying that the latest discussions were "productive, cooperative, and resulted in firm commitments." The papers speculated that North Korea was cooperating on the MIA issue in a bid to obtain U.S. concessions, such as the easing of economic sanctions.

President Trump offers condolences to Japanese flood victims

Sunday's Mainichi reported briefly on a tweet posted by President Trump on Saturday regarding the floods in western Japan. The President reportedly stated: "Our prayers with those affected by the flooding in Japan. We commend the rescue efforts and offer condolences to all who were injured or lost loved ones."

Another Japanese given prison term for espionage in China

Most Saturday morning national papers reported that a 57-year-old Japanese man from Kanagawa Prefecture was given a 5-year sentence for espionage by a court in Dandong, China, on Friday, saying that he was the second Japanese citizen recently found guilty of spying. The Kanagawa man, who became a naturalized Japanese citizen after fleeing North Korea, had been detained since May 2015 when he was apprehended on the border with the DPRK. The circumstances surrounding the charge of spying are unknown.

Japan, France deepen relations

All Sunday dailies highlighted Foreign Minister Kono's visit to France, during which he signed an acquisition and cross-servicing agreement (ACAS) with the French defense minister and held talks with his French counterpart to confirm the launch of governmental dialogue on naval cooperation. Tokyo is reportedly anxious to enhance maritime coordination with Paris, which has territories in the Pacific, with the goal of reining in China's militarization of the South China Sea. Nikkei said that with the ACSA, the two nations' militaries will be able to deepen mutual coordination for exchange of goods and services during disaster relief, UN peacekeeping operations, and joint training.

Mainichi wrote that Japan and France are strengthening bilateral ties rapidly, with President Macron reportedly looking to make his first trip to Japan in the fall. It added that Prime Minister Abe and Macron share much in common in diplomacy, explaining that both leaders are trying to dissuade the Trump administration from what the paper characterized as a unilateralist approach by forging close bonds with the President. Monday's Sankei wrote that France is also strengthening its defense partnerships with India and Australia to raise its security profile in the Asia-Pacific.

SECURITY

MOD to look into three foreign jets as successor to SDF fighter

Saturday morning's Yomiuri and Nikkei wrote that Boeing, Lockheed-Martin, and British BAE Systems have each presented specifications for a fighter jet that the ASDF is looking to develop as the successor to the F-2, which will begin to retire in 2030. According to Yomiuri, Lockheed's idea to employ the USAF F-22 as a basis for joint development is viewed as the most promising, although the ministry reportedly said the development cost, over 20 billion yen per unit, is too high. Boeing has proposed joint development using the F-15, while the BAE Systems is reportedly interested in joint development with the RAF Typhoon as the base model. Nikkei projected that the finalist may be chosen by the end of this year, adding that if Lockheed chooses to share with Japan some of the highly classified technology used

in the F-22 in an attempt to bolster its bid, that would mean Japan is viewed as a “key security partner.”

In a follow-up, today’s Yomiuri said the Finance Ministry is strongly opposed to the development of a new model in the first place due to the high cost, estimated at 1 to 2 trillion yen in total, with some ministry officials reportedly insisting that the successor to the F-2 should be the existing F-35. The daily added that even if Lockheed was tapped as a partner for joint development, Japan may not be able to access the F-22’s tightly controlled core technology. “Unless local defense contractors are allowed to take the initiative in the proposed joint development, Japan will lose an opportunity to catch up in know-how for the development of fighter jets,” said an unnamed senior MOD official.

Japan to choose radar for Aegis Ashore this month

Monday’s Sankei led with a report on an MOD plan to select by the end of July the radar for the Aegis Ashore batteries to be procured for operations beginning in 2023. According to the story, although Lockheed Martin’s SSR radar is viewed as the favorite, some ministry officials strongly prefer Raytheon’s SPY6 radar. The daily claimed that the SPY6 is at a disadvantage since there is a possibility that it can’t be delivered to the Japanese side in time.

U.S., Japan conduct joint training using anti-ship missiles

Saturday morning’s Yomiuri and Asahi reported from Hawaii on a joint drill conducted on Thursday between the U.S. military and the SDF involving ground-to-ship missiles that the GSDF plans to introduce for deployment on islands in Okinawa, noting that four interceptors successfully hit a mock target, a decommissioned warship that was placed some 90 km off the coast of Kauai Island. The training was carried out as part of the ongoing RIMPAC exercises. The dailies wrote that the U.S. Army is strongly interested in Japan’s planned deployment of the surface-to-ship missiles, with Asahi quoting an unnamed senior SDF official as saying that the U.S. military is anxious to employ the anti-ship missile technology to deter China’s coercive behavior in the South China Sea.

In a related story, Monday’s Asahi reported that a PLA intelligence collection ship was found operating in international waters off Hawaii recently, speculating that the Chinese are keen to gather information on communications among navies participating in the ongoing RIMPAC exercises, as the U.S. military disinvited China from the multinational training program this time on account of its arms buildup in the South China Sea.

Kagoshima islet to be used as SDF platform

Sunday's Sankei gave top play to a Defense Ministry idea to use Mage Island off Kagoshima as a location for training by MSDF P-3C patrol planes and ASDF F-15 fighters as part of its plan to enhance capabilities to defend the Nansei Islands from potential Chinese aggression. Noting that the ministry regards the outcrop as a platform for field carrier landing practice (FCLP) by airplanes aboard the USS Ronald Reagan, the daily projected that training drills involving the F-35s that the ASDF plans to procure and the MSDF helicopter destroyer Izumo may also be carried out on and near the uninhabited isle.

ECONOMY

U.S.-Japan nuclear cooperation treaty extended automatically

Saturday morning's Nikkei reported on the automatic extension on Monday of the U.S.-Japan agreement for cooperation on peaceful uses of nuclear energy, saying that the renewed pact can be terminated at any time six months after either side elects to do so. The daily speculated that the USG decided against updating the existing pact with a fixed duration while taking into account international criticism that it is unfair for Washington to allow only Tokyo to reprocess spent nuclear fuel. According to the daily, South Korea has been insisting that its nuclear cooperation pact with the U.S. be revised on a par with the U.S.-Japan accord. Pointing out that congressional endorsement would have been necessary to revise the existing U.S.-Japan nuclear pact, the article said the USG elected not to seek revision in order to avoid triggering criticism from abroad. It wrote that the GOJ is optimistic that the U.S. will not seek abrogation of the renewed pact based on the judgment that Japanese nuclear expertise is indispensable to the U.S. nuclear industry.

Sunday's Asahi filed a similar report, noting that the USG has been calling for the GOJ to reduce the excessive stockpile of plutonium as a "condition" for embracing the automatic extension. According to the daily, Chief Cabinet Secretary Suga commented on the extension by telling the press on Friday: "The extension is extremely important from the standpoint of U.S.-Japan relations since it forms the basis of Japan's atomic activities."

Japan to present its case on proposed U.S. auto tariffs

Saturday morning's Asahi reported that Japanese government and business representatives are planning to attend a public hearing to be organized by the Commerce Department in Washington on July 19 regarding the higher tariffs that the Trump administration is looking to impose on foreign autos and auto parts.

Japan to effectuate free trade pacts early

Saturday morning's Sankei wrote that the GOJ and the EU plan to officially sign an economic partnership agreement in Tokyo on July 17, noting that EU President Tusk and European Commission President Juncker are expected to visit Japan to attend the signing ceremony. As the GOJ is also set to convene a meeting of CPTPP chief negotiators in Hakone on July 18-19, the daily wrote that the Abe administration is determined to seek swift effectuation of the two multilateral trade liberalization pacts to rein in what the daily characterized as the Trump administration's protectionist approach.

As for the Japan-EU EPA, this morning's Asahi wrote that while Japanese consumers will be able to purchase European products such as wine and cheese at lower prices due to cuts in tariffs, Japanese dairy farmers, loggers, and others may be hit hard, with as many as ten prefectural governments, including Akita and Kochi, estimating that losses to be sustained by the local agriculture, fishing, and forestry industries as a result of the free trade pact with Europe may exceed those caused by the CPTPP.

OPINION POLLS

Support for casino legislation remains weak

Monday's Asahi front-paged the results of its latest public opinion survey, focusing on a large majority's objection to the Abe administration's plan to enact a bill on implementing casinos. Three out of four respondents said it is "not necessary" to pass the bill during the current Diet term. Approval of the Abe cabinet remained unchanged from last month at 38%, while nonsupport dropped two points to 43%.